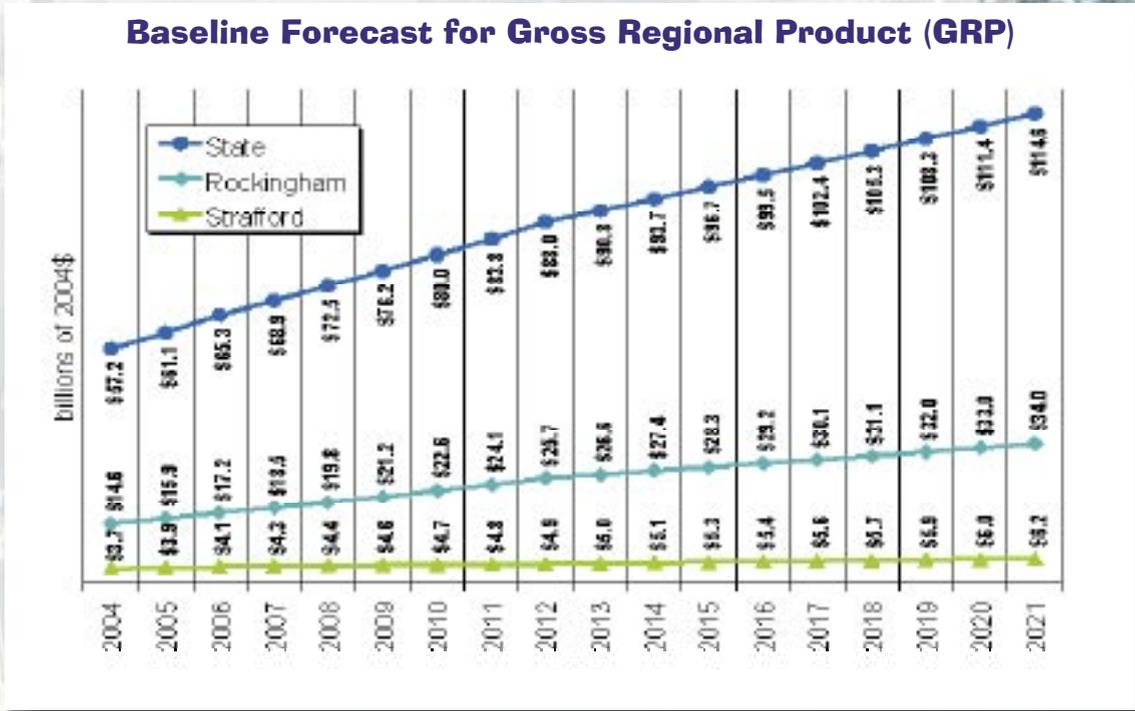


# The Baseline Forecast

## The Growth Projected Without a Portsmouth Naval Shipyard Closure

Gross Regional (or State) Product (GRP) is the value of all goods and services produced by New Hampshire's economy, annually. In real 2004 dollars, it is expected to increase from \$57.2 billion in 2004 to \$114.6 billion in 2021. GRP in real terms, over the 17 year period between 2004 and 2021, is expected to increase by 100.2 percent. The GRP for



Rockingham County is expected to increase by 133.1 percent over the 2004 to 2021 period. Total GRP for Rockingham County will reach an estimated \$28.2 billion in real 2004 dollars and will represent 30 percent of New Hampshire's Gross State (Regional) Product. Strafford County's GRP will grow 64.9 percent to reach \$5.1 billion in 2021.

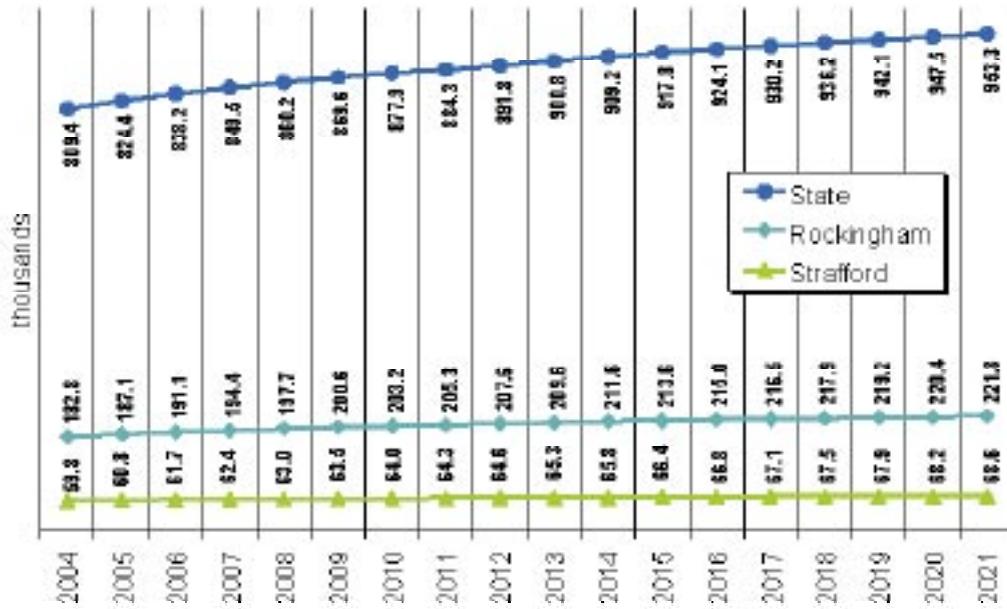
Growth in GRP will result in growth in employment and population.<sup>15</sup> Total employment for the state is expected to exceed 953,000 in 2021,

<sup>15</sup> Increases in population are both caused by and the cause of economic growth.

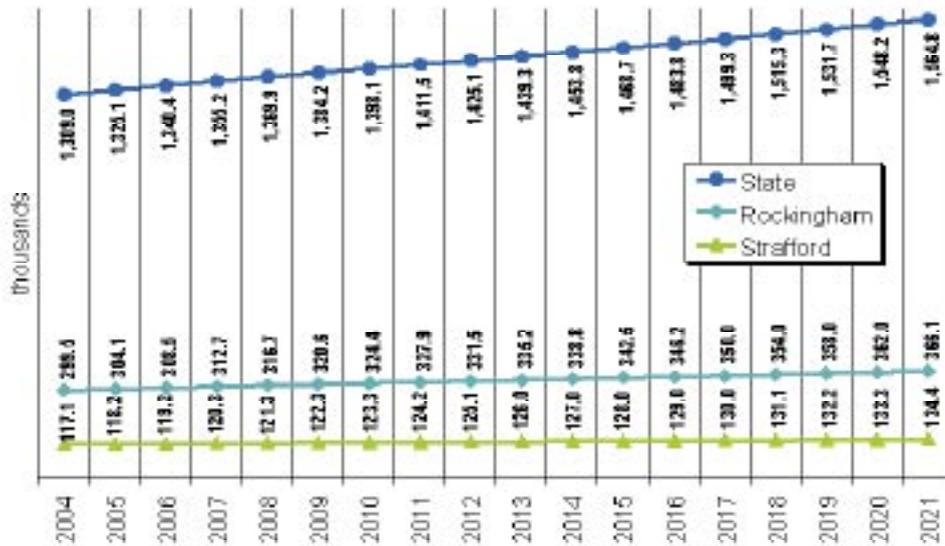
an increase of almost 18 percent. Rockingham County's employment is expected to increase by more than 21 percent to 222,000. Strafford's is expected to increase by almost 15 percent to nearly 69,000. Together the two counties will account for just over 30 percent of the state's jobs in 2021.

Population in the state, without the closure of the Shipyard, is expected to increase by more than a quarter million from 1.309 million in 2004 to

### Baseline Forecast for Jobs by Place of Work



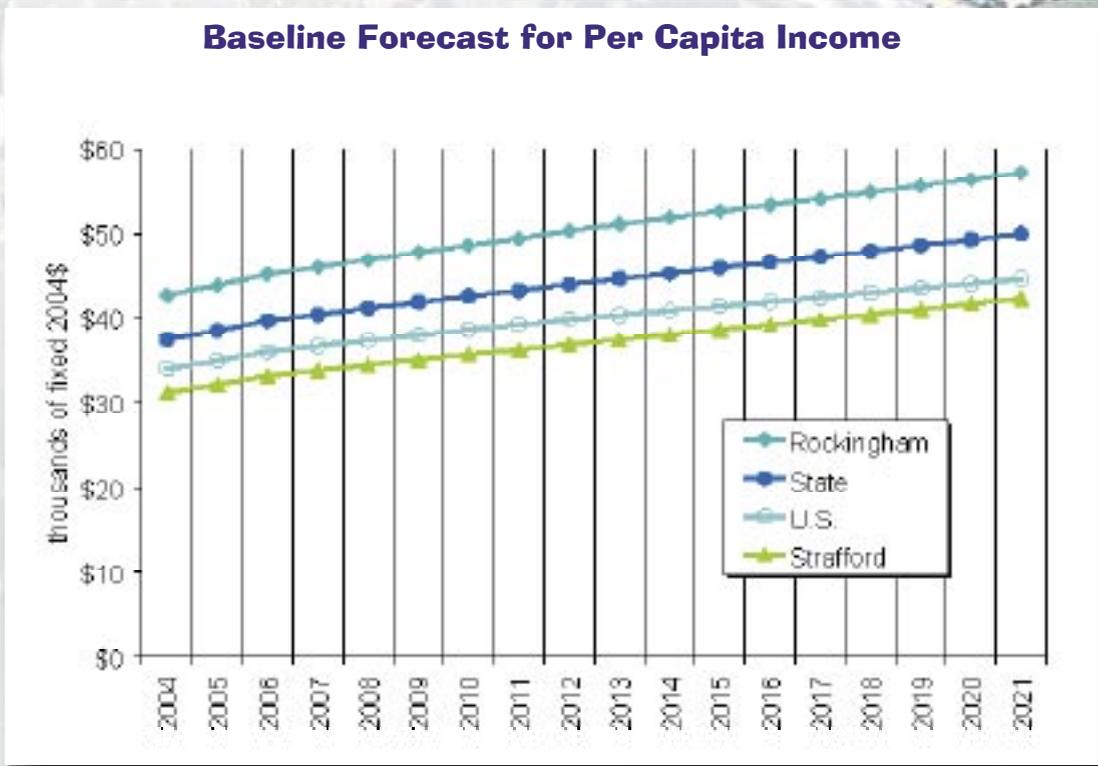
### Baseline Forecast for Population Growth



1.565 in 2021. This is a 19.5 percent increase in 17 years. Thirty percent of this growth will be in Rockingham County which is projected to gain 66,654 people, a 22 percent increase from a population of 299,480 in 2004 to 366,134 in 2020. Strafford's is projected to grow considerably slower than the state rate at 14.8 percent.

### Rockingham County Has Two Economic Poles

The growth of Rockingham County in recent years, however, has largely taken place away from the commuting area for the Yard. Between the 1980 and the 2000 census, the 10 towns in the Southwestern corner of the county, covering a combined area of 237.4 square miles have grown by 58 percent from 84,978 to 133,917, while the 18 communities in the Northeastern corner, closest to Portsmouth, covering 237.6 square miles, have grown from 82,969 to 103,154 – just 24 percent. In the 1970 Census the population of this Northeastern part of Rockingham County was 25 percent larger than the Southwestern part. During that same period, the state's population grew by 40 percent and Strafford



County by 21 percent. The city of Portsmouth's population declined by 19 percent during that period. In fact, Portsmouth's population has declined in every Decennial Census since 1970. During the same period, Portsmouth's private employment has increased by 100 percent while the state's private employment increased 61 percent, Rockingham County's by 108 and Strafford's by 40 percent.

### Income

Per capita personal income, median household income, and housing costs in the Portsmouth-Rochester PMSA are higher than for the state

as a whole, suggesting that living expenses in the seacoast area are higher than in other parts of New Hampshire. According to the baseline forecast, Rockingham County's personal income per capita in 2004 is \$51,831 while Strafford's is \$38,009. This compares to \$45,288 for New Hampshire and \$40,861 for the U.S.